Comptroller's Directive No. 2-07
Attachment HE-2
Beginning Net Asset Reconciliation

Purpose

This attachment will provide explanations for any restatement of the beginning net asset amount. This reconciles the prior year ending net asset amount reported on the FY 2006 Attachment HE-10, Financial Statement Template, and the beginning net asset amount that will be reported on the FY 2007 Attachment HE-10, Financial Statement Template. This attachment has TAB 1 to record the amount for the higher education institution (HEI) and TAB 2 to record the amount for the combined total of the foundations.

Applicable institutions

All institutions **must** complete this attachment.

Due date

August 2, 2007

Certification (new tab)

The **Certification** tab is new for FY 2007, and it requires all preparers and reviewers to type their name on this form. Please note that there should be a segregation of duties; therefore, the preparer and the reviewer should not be the same individual for any tab. By typing a name, the individual is certifying that all tabs of this attachment have been reviewed; the information is both complete and accurate; and the preparer and reviewer were not the same individual for any tab.

Other changes from the prior year

The TAB 1 & TAB 2 have been revised to require a description for all restatements. In addition, these are the categories listed on the tabs:

- Change in Estimate
- Change in Reporting
- Other

The HEI's Change in Reporting category includes a description to account for the restatement as a result of the reporting guideline changes for the Department of Treasury's reimbursement programs*. A correction of a prior year's error would be recorded in the "Other" category.

Note*: See instructions to Attachment HE-8, Treasury's Reimbursement Programs, for additional information.

Comptroller's Directive No. 2-07
Attachment HE-2
Beginning Net Asset Reconciliation

SAS 112	Statement on Auditing Standards No. 112, *Communicating Internal Control Related Matters Identified in an Audit*, is effective for FY 2007. The Auditor of Public Accounts will be required to evaluate and communicate errors identified during the financial statement preparation process in a different manner. It is possible that significant errors resulting in financial statement adjustments, including prior year ending net asset restatements, could result in either material internal control weaknesses or even a qualified opinion on the Commonwealth's Comprehensive Annual Financial Report (CAFR). Internal controls should be in place to prevent material restatements because of prior year errors.

Submission requirements	Contact DOA if the institution has any problems with the files. **After downloading the Excel file, rename the file using the institution's acronym followed by Attachment HE-2.** For example, VCCS should rename the Attachment HE-2.xls file as VCCS Attachment HE-2.xls. **DOA's e-mail address has changed from the prior year. Submit the Excel file electronically to finrept-HE@doa.virginia.gov.** **Copy APA via e-mail to APAFinRept@apa.virginia.gov.** **Do not submit paper copies of this spreadsheet.**

Attachment revisions	If attachment revisions are made subsequent to DOA acknowledgement of receipt and acceptance of the original attachment submission, **resubmit the revised attachment AND complete the Revision Control Log Tab (RCL) in the attachment Excel file.** Enter the revision date, tab name, row number and column letter revised, and the previous and revised information. Document text changes and numerical changes. Only enter changes for amounts actually keyed. For example, if a non-keyed, calculated total changes as a result of the revision, this does not need to be documented on the Revision Control Log. If the attachment is revised more than once, do not delete control log revision information from the previous revision. Enter the new revision date and the additional revisions in the rows following the initial revision rows. This log should document all revisions from the initial attachment submission. Each time a revision is submitted the **Certification** tab should be updated with new signatures and dates.